



STATE OF IOWA

CHESTER J. CULVER, GOVERNOR
PATTY JUDGE, LT. GOVERNOR

DEPARTMENT OF HUMAN SERVICES
CHARLES J. KROGMEIER, DIRECTOR

INFORMATIONAL LETTER NO. 959

DATE: October 19, 2010

TO: Iowa Medicaid Licensed Nursing Facilities

ISSUE BY: Iowa Department of Human Services, Iowa Medicaid Enterprise (IME)

RE: Nursing Facility Quality Assurance Assessment

The purpose of this Informational Letter (IL) is to clarify the Department's policy pertaining to the enforcement of the provisions contained in 441 Iowa Administrative Code (IAC) Chapter 36 related to delinquent submission of the nursing facility quality assurance assessment.

Senate File 476, authorized during the 2009 legislative session, directed the Department of Human Services (DHS) to implement a nursing facility quality assurance assessment program, also known as a nursing facility provider tax. In March 2010, DHS received federal approval from the Centers for Medicare and Medicaid Services (CMS) to implement the quality assurance assessment program effective April 1, 2010.

Legislation and IAC 441, Chapter 36.6(1) defines the applicability of assessment. All facilities with the exception of nursing facilities operated by the state, non-state government-owned or government-operated nursing facilities and distinct-part skilled nursing units and swing-bed units operated by a hospital are to pay the quarterly assessment. Distinct-part skilled nursing units are those facilities that IAC 441 defines as a hospital-based nursing facility that is Medicare-certified and provides only the skilled level of care, referred to as Medicare-certified hospital-based nursing facility providing only skilled care for purposes of the case mix reimbursement.

Nursing facilities that are required to pay a quarterly quality assurance assessment fee shall use Form 470-4836, *Nursing Facility Quality Assurance Assessment Calculation Worksheet*, to calculate the amount of quality assurance assessment that is due quarterly to the Department. The form is to be completed and submitted along with payment in accordance 441 IAC 36.7. If the form and payment is not received by the 30th day of the month following the end of a calendar quarter a 1.5% penalty will be assessed. The penalty will be based on the amount of fees owed. If at any time the Department determines that an overpayment has occurred, the Department will refund any monies within 30 days of detection of the overpayment.

All providers were given notice that the Quality Assurance Assessment Fee went into effect April 1, 2010, with IL No. 921, dated July 1, 2010. This IL explained how to determine the fee per day amount, what days would be assessed a fee, and how to calculate the total amount due. The IL No. 921 also detailed how to access Form 470-4836 at http://www.ime.state.ia.us/docs/470-4836_NEW.xls. The IME updated the form so that check boxes on the form can now be utilized. Also note, the IME has updated the form with a prior period adjustment line that is used in calculating the amount due. This line can be used to make any adjustments from any of the prior periods for days that were excluded or misclassified.

As of September 30, 2010, there were 10 facilities that had not submitted the form and payment. There were 59 facilities with payments received after July 30, 2010, which are considered late. As this was the first required payment and signified a new procedure, the Department waived penalties for those facilities whose payment was received after July 30, 2010. For the 10 facilities that had not submitted payment by September 30, 2010, the Department contacted each provider to give them 10 days to remit the calculation worksheet and payment to avoid penalties.

The penalty provision will be enforced in accordance with 441 IAC 36.7(4) beginning with payments not received by October 30, 2010.

The Calculation Worksheet, Form 470-4836 and check shall be mailed to:

Iowa Medicaid Enterprise
PO Box 310280
Des Moines, IA 50331-0280.

An additional requirement is that an electronic copy of the form *only* should be submitted to costaudit@dhs.state.ia.us.

If you send a package requiring a signature, for example, via certified mail or overnight, please send to:

Iowa Medicaid Enterprise
Attn: Lockbox Services – 310280
666 Walnut Street, Suite 700
Des Moines, IA 50309

If you have any questions regarding the information included in this informational letter, please contact the IME Provider Cost Audit and Rate Setting Unit at (515) 256-4610 (locally) or (866) 863-8610, or email at costaudit@dhs.state.ia.us.